

CITY OF BISMARCK EMPLOYEES PENSION FUND
INVESTMENT PERFORMANCE REPORT AS OF AUGUST 31, 2003

	August-03				July-03				Current	Prior Year	3 Years	5 Years
	Allocation		Month		Allocation		Month		Fiscal YTD	FY03	Ended	Ended
	Market Value	Actual	Policy	Net ROR	Market Value	Actual	Policy	Net ROR	Net ROR	Net ROR	6/30/2003 Net	6/30/2003 Net
LARGE CAP DOMESTIC EQUITY												
<i>Structured Growth</i>												
LA Capital	1,212,231	5.2%	5.1%	N/A	-	0.0%	0.0%	N/A	N/A	N/A	N/A	N/A
AllianceBernstein	1	0.0%	0.0%	N/A	578,117	2.5%	2.6%	3.53%	N/A	-1.48%	-20.46%	-5.64%
Total Structured Growth	1,212,232	5.2%	5.1%	3.16%	578,117	2.5%	2.6%	3.53%	6.80%	-1.48%	-20.46%	-5.64%
Russell 1000 Growth				2.49%				2.49%	5.04%	2.93%	-21.55%	-5.04%
<i>Structured Value</i>												
LSV	1,251,868	5.3%	5.1%	3.10%	1,214,998	5.3%	5.1%	1.21%	4.35%	-2.05%	9.06%	3.95%
Russell 1000 Value				1.56%				1.49%	3.07%	-1.02%	-2.19%	-0.17%
<i>Enhanced Russell 1000 Index</i>												
LA Capital (Wilshire)	1,217,081	5.2%	5.1%	2.41%	1,188,097	5.1%	5.1%	1.61%	4.07%	1.08%	N/A	N/A
Russell 1000				2.03%				1.99%	4.06%	0.96%	N/A	N/A
<i>Enhanced S&P 500 Index</i>												
Northern Trust	1,144,764	4.9%	5.1%	1.86%	1,123,637	4.9%	5.1%	1.73%	3.62%	0.28%	N/A	N/A
Strong	1,172,527	5.0%	5.1%	2.21%	1,146,758	5.0%	5.1%	1.28%	3.52%	3.30%	N/A	N/A
Westridge	1,303,264	5.5%	5.1%	1.96%	1,279,114	5.5%	5.1%	1.77%	3.76%	0.56%	N/A	N/A
Total Enhanced S&P 500 Index	3,620,554	15.4%	15.4%	2.01%	3,549,509	15.4%	15.4%	1.60%	3.64%	1.35%	N/A	N/A
S&P 500				1.95%				1.76%	3.74%	0.24%	N/A	N/A
<i>S&P 500 Index</i>												
State Street	811,410	3.4%	3.4%	1.95%	1,392,214	6.0%	6.0%	1.77%	3.75%	0.31%	-11.14%	-1.58%
S&P 500				1.95%				1.76%	3.74%	0.24%	-11.20%	-1.61%
TOTAL LARGE CAP DOMESTIC EQUITY	8,113,145	34.5%	34.3%	2.31%	7,922,936	34.3%	34.3%	1.71%	4.06%	0.49%	-9.68%	-2.32%
S&P 500				1.95%				1.76%	3.74%	0.24%	-11.20%	-1.61%
SMALL CAP DOMESTIC EQUITY												
<i>Manager-of-Managers</i>												
SEI	3,018,273	12.8%	10.7%	4.83%	2,878,475	12.5%	10.7%	6.11%	11.24%	0.68%	N/A	N/A
Russell 2000 + 200bp				4.75%				6.43%	11.48%	0.37%	N/A	N/A
TOTAL SMALL CAP DOMESTIC EQUITY	3,018,273	12.8%	10.7%	4.83%	2,878,475	12.5%	10.7%	6.11%	11.24%	0.68%	-3.37%	-0.65%
Russell 2000				4.58%				6.26%	11.13%	-1.64%	-3.30%	0.97%
INTERNATIONAL EQUITY												
<i>Large Cap - Core</i>												
State Street	154,503	0.7%	0.6%	3.19%	149,704	0.6%	0.6%	2.87%	6.14%	-9.96%	-13.28%	-4.72%
MSCI EAFE - 50% Hedged				2.77%				3.28%	6.14%	-11.24%	-14.65%	-4.18%
<i>Large Cap - Active</i>												
Capital Guardian	376,455	1.6%	1.5%	3.23%	364,514	1.6%	1.5%	4.37%	7.74%	-11.30%	-14.96%	0.47%
Bank of Ireland	70,039	0.3%	0.3%	-0.29%	70,286	0.3%	0.3%	0.97%	0.68%	-10.28%	N/A	N/A
Total Large Cap - Active	446,494	1.9%	1.8%	2.66%	434,800	1.9%	1.8%	3.81%	6.57%	-11.12%	-14.58%	0.74%
MSCI EAFE - 50% Hedged				2.77%				3.28%	6.14%	-11.24%	-14.65%	-4.18%
<i>Small Cap - Active</i>												
Lazard	80,373	0.3%	0.3%	3.24%	77,915	0.3%	0.3%	2.04%	5.34%	-2.32%	N/A	N/A
Wellington	80,349	0.3%	0.3%	4.93%	76,680	0.3%	0.3%	4.63%	9.78%	5.97%	N/A	N/A
Total Small Cap - Active	160,721	0.7%	0.6%	4.08%	154,595	0.7%	0.6%	3.36%	7.58%	1.75%	N/A	N/A
Citigroup Broad Market Index < \$2BN				6.30%				3.20%	9.70%	3.91%	N/A	N/A
TOTAL INTERNATIONAL EQUITY	761,718	3.2%	3.0%	3.06%	739,099	3.2%	3.0%	3.52%	6.69%	-8.22%	-12.63%	-0.99%
MSCI EAFE - 50% Hedged				2.77%				3.28%	6.14%	-11.24%	-14.65%	-4.18%
EMERGING MARKETS EQUITY												
Capital Guardian	411,423	1.7%	1.5%	6.39%	386,713	1.7%	1.5%	5.63%	12.38%	7.15%	-10.61%	1.62%
MSCI Emerging Markets Free				6.71%				6.26%	13.39%	6.96%	-7.07%	2.49%
DOMESTIC FIXED INCOME												
<i>Core Bond</i>												
Western Asset	1,084,896	4.6%	5.0%	1.24%	1,071,576	4.6%	5.0%	-4.59%	-3.40%	13.42%	11.88%	8.58%
Lehman Aggregate				0.66%				-3.36%	-2.72%	10.39%	10.07%	7.54%
<i>Active Duration</i>												
WestAM (Criterion)	1,075,183	4.6%	5.0%	0.55%	1,069,551	4.6%	5.0%	-3.70%	-3.17%	9.93%	9.39%	6.85%
Lehman Aggregate				0.66%				-3.36%	-2.72%	10.39%	10.07%	7.54%
<i>Index</i>												
Bank of ND	1,774,601	7.5%	8.7%	0.55%	1,761,706	7.6%	8.7%	-4.32%	-3.80%	12.59%	11.06%	7.79%
Bank of ND Match Loan CD Program	298,734	1.3%	1.3%	0.48%	299,134	1.3%	1.3%	0.48%	0.95%	5.83%	5.84%	5.85%
Total Index	2,073,335	8.8%	10.0%	0.53%	2,060,840	8.9%	10.0%	-3.18%	-2.67%	10.77%	10.08%	7.44%
Lehman Gov/Credit				0.66%				-4.19%	-3.56%	13.15%	10.82%	7.83%

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Convertibles												
TCW	1,244,223	5.3%	5.0%	0.68%	1,232,633	5.3%	5.0%	1.25%	1.93%	10.37%	-9.08%	N/A
First Boston Convertible Index				1.64%				0.45%	2.10%	15.35%	-3.81%	N/A
BBB Average Quality												
Strong	1,116,092	4.7%	5.0%	1.04%	1,105,363	4.8%	5.0%	-4.58%	-3.59%	14.81%	10.35%	N/A
Lehman BBB				0.98%				-4.49%	-3.55%	18.33%	9.91%	N/A
Timberland												
Evergreen (Wachovia)	2,310,468	9.8%	9.8%	-0.05%	2,310,921	10.0%	10.0%	-0.05%	-0.10%	12.50%	N/A	N/A
											N/A	N/A
TOTAL DOMESTIC FIXED INCOME	8,904,196	37.9%	40.0%	0.55%	8,850,884	38.4%	40.0%	-2.24%	-1.70%	11.62%	6.95%	6.77%
Lehman Aggregate				0.66%				-3.36%	-2.72%	10.39%	10.07%	7.54%
HIGH YIELD BONDS												
Western Asset	788,147	3.4%	3.5%	1.56%	776,054	3.4%	3.5%	-1.79%	-0.26%	20.04%	2.51%	4.15%
Lehman High Yield Bond Index				1.15%				-1.10%	0.04%	22.77%	5.44%	2.66%
INTERNATIONAL FIXED INCOME												
International Sovereign												
UBS Global (Brinson)	210,537	0.9%	1.0%	-0.54%	211,920	0.9%	1.0%	-2.51%	-3.04%	18.20%	8.47%	5.93%
Citigroup Non-US Gov't Bond Index (1)				-0.85%				-2.59%	-3.41%	17.91%	8.10%	6.29%
International Core												
Brandywine	208,297	0.9%	1.0%	-1.10%	210,422	0.9%	1.0%	-2.49%	-3.56%	N/A	N/A	N/A
Lehman Global Aggregate (ex-US)				-0.90%				-2.59%	-3.47%	N/A	N/A	N/A
TOTAL INTERNATIONAL FIXED INCOME	418,834	1.8%	2.0%	-0.82%	422,342	1.8%	2.0%	-2.49%	-3.29%	17.83%	8.36%	5.86%
Citigroup Non-US Gov't Bond Index (1)				-0.85%				-2.59%	-3.41%	17.91%	8.10%	6.29%
REAL ESTATE												
J.P. Morgan	659,063	2.8%	3.0%	0.95%	652,860	2.8%	3.0%	0.46%	1.42%	7.80%	7.36%	10.23%
NCREIF TOTAL INDEX				0.69%				0.69%	1.39%	7.42%	8.44%	10.11%
ALTERNATIVE INVESTMENTS												
Coral Partners V	42,174			0.00%	42,174			0.00%	0.00%	-22.52%	-20.83%	-9.87%
Coral Partners V - Supplemental	2,194			0.00%	2,194			0.00%	0.00%	-28.36%	N/A	N/A
Coral Partners VI	6,865			0.00%	6,865			0.00%	0.00%	N/A	N/A	N/A
Brinson 1998 Partnership Fund	7,396			0.00%	7,396			0.00%	0.00%	-14.73%	-11.35%	1.31%
Brinson 1999 Partnership Fund	9,417			0.00%	9,417			0.00%	0.00%	-16.31%	-14.42%	N/A
Brinson 2000 Partnership Fund	15,187			0.00%	15,187			0.00%	0.00%	-13.99%	-9.08%	N/A
Brinson 2001 Partnership Fund	5,240			0.00%	5,240			0.00%	0.00%	-5.98%	N/A	N/A
Brinson 2002 Partnership Fund	3,173			0.00%	3,173			0.00%	0.00%	9.08%	N/A	N/A
Brinson 2003 Partnership Fund	358			0.00%	358			0.00%	0.00%	N/A	N/A	N/A
Brinson 1999 Non-US Partnership Fund	5,149			0.00%	5,149			0.00%	0.00%	13.12%	2.21%	N/A
Brinson 2000 Non-US Partnership Fund	4,962			0.00%	4,962			0.00%	0.00%	9.50%	-1.63%	N/A
Brinson 2001 Non-US Partnership Fund	3,255			0.00%	3,255			0.00%	0.00%	-0.41%	N/A	N/A
Brinson 2002 Non-US Partnership Fund	4,668			0.00%	4,668			0.00%	0.00%	5.34%	N/A	N/A
Brinson 2003 Non-US Partnership Fund	315			0.00%	315			0.00%	0.00%	N/A	N/A	N/A
Brinson BVCF IV	25,414			0.00%	25,414			0.00%	0.00%	-14.64%	-18.80%	N/A
Matlin Patterson Global Opportunities	51,665			0.00%	51,665			0.00%	0.00%	N/A	N/A	N/A
InvestAmerica	3,389			0.00%	3,389			0.00%	0.00%	-12.50%	N/A	N/A
Hearthstone	13,004			0.00%	13,005			0.00%	0.00%	28.98%	13.57%	N/A
TOTAL ALTERNATIVE INVESTMENTS (2)	203,824	0.9%	1.0%	0.00%	203,824	0.9%	1.0%	0.00%	0.00%	-9.78%	-11.48%	-6.74%
Post Venture Capital Index				3.81%				7.10%	11.18%	19.78%	-29.84%	-8.37%
CASH EQUIVALENTS												
Northern Trust STIF/STEP	243,083	1.0%	1.0%	0.11%	241,247	1.0%	1.0%	0.11%	0.22%	1.84%	3.33%	4.22%
90 Day T-Bill				0.08%				0.07%	0.15%	1.52%	3.33%	4.07%
TOTAL FUND	23,521,708	100.00%	100.00%	1.88%	23,074,435	100.00%	100.00%	0.53%	2.41%	6.14%	-0.87%	2.85%
POLICY TARGET BENCHMARK				1.69%				0.12%	1.82%	5.97%	0.02%	3.65%

NOTE: Monthly returns and market values are preliminary and subject to change.

(1) Previously this benchmark was titled Salomon Brothers Non-US Gov't Bond Index.